

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into
Implementation of Assembly Bill 970 Regarding
the Identification of Electric Transmission and
Distribution Constraints, Actions to Resolve
Those Constraints, and Related Matters Affecting
the Reliability of Electric Supply.

Investigation 00-11-001
(Filed November 2, 2000)

**ADMINISTRATIVE LAW JUDGE'S RULING
PROVIDING FOR WORKSHOP AND ADDRESSING
REQUESTS TO INTERVENE**

I. Summary

This Administrative Law Judge's (ALJ) ruling provides that a workshop will be held in July 2004, with the date to be set and noticed by Energy Division, to address the economic methodology and model used in the California Independent System Operator (ISO) testimony submitted on June 2, 2004. The ruling grants the request of the City of Chula Vista and denies the request of Caithness Energy, LLC to intervene in Investigation (I.) 00-11-001.

II. Workshop on ISO Methodology and Model

On June 2, 2004, the same day it submitted testimony regarding its economic methodology, the ISO filed a motion in which it asks, among other things, for confirmation that it may comply with Rule 74.4(d) through two separate means. The ISO states that it will execute a limited number of computer model runs for Energy Division on the ISO's computer system. With respect to all other parties, the ISO proposes that access to its computer model be

accomplished by making the computer model available from the developer through a limited commercial license directly between the developer's agent and intervenors. The Office of Ratepayer Advocates, Pacific Gas and Electric Company, and The Utility Reform Network filed responses in opposition to this and other aspects of the ISO's motion.

A telephonic Law and Motion hearing was held on the ISO motion on June 18, 2004. At that time, parties agreed that it would be useful to hold a workshop on the ISO methodology and model. At the workshop, among other things, parties would discuss what additional computer model runs would be desirable and the ISO would assess whether it would agree to perform the runs without the need for parties to obtain licenses from the developer. The parties agreed that the workshop could be held during the week of July 12, 2004 and that they would have prior discussions via conference call regarding the agenda for the workshop. I agreed that a workshop would be desirable and indicated that Energy Division (which was not present at the telephonic hearing) should coordinate with the ISO to schedule and hold the workshop. I have since conferred with Energy Division on this matter. I also noted that the scope of the workshop may be addressed at the previously-scheduled July 6, 2004 prehearing conference.

In this ruling, I confirm that the Energy Division should hold a workshop sometime during the week of July 12, 2004. The Energy Division contact person is Brian Schumacher, (415) 703-1226, BDS@cpuc.ca.gov. The ISO should amend its June 2, 2004 motion, no later than five business days following the workshop to indicate whether it continues to seek a ruling regarding compliance with Rule 74.4(d).

III. Requests to Intervene

On May 7, 2004, the City of Chula Vista filed a motion to intervene in this proceeding. Chula Vista states that it has a direct and substantial interest in this proceeding, citing the recent application of San Diego Gas & Electric Company for the Otay Mesa transmission project as exemplifying the extent to which it is affected by decisions regarding transmission systems. No party filed a response to this motion, and it is granted.

On June 1, 2004, Caithness Energy, LLC (Caithness) filed a petition to intervene in this proceeding. It requests to intervene for the purpose of filing comments (attached to the motion) and possible reply comments on the then-pending ALJ's Draft Decision regarding the methodology for consideration of transmission costs in the Renewable Portfolio Standard procurement. No party filed a response to this motion. On June 9, 2004, the Commission acted on the Draft Decision by adopting Decision 04-06-013, and did not consider the comments of Caithness. Caithness' petition is denied because it is moot. If Caithness wishes to participate in this proceeding for other purposes, it may renew its request on that basis.

Therefore, **IT IS RULED** that:

1. Energy Division shall hold a workshop in July 2004 to address the economic methodology and model used in the Independent System Operator (ISO) testimony submitted on June 2, 2004, as described in this ruling.
2. The ISO shall amend its June 2, 2004 motion no later than five business days following the workshop to indicate whether it continues to seek a ruling regarding compliance with Rule 74.4(d).
3. The Motion to Intervene of the City of Chula Vista is granted.

4. The following person is granted Interested Person status on behalf of Chula Vista and is added to the Appearances portion of the service list in

I.00-11-001:

Randall W. Keen
Manatt, Phelps & Phillips, LLP
11355 West Olympic Blvd.
Los Angeles, CA 90064
Telephone: (310) 312-4361
Facsimile: (310) 914-5721
E-mail: PUCService@manatt.com
Appearing for City of Chula Vista

5. The following persons are added to the Information Only portion of the service list in I.00-11-001:

David L. Huard
Manatt, Phelps & Phillips, LLP
11355 West Olympic Blvd.
Los Angeles, CA 90064
Telephone: (310) 312-4247
Facsimile: (310) 312-4224
E-mail: dhuard@manatt.com

Elizabeth Wagner Hull
Deputy City Attorney
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910
Telephone: (619) 691-5037
Facsimile: (619) 409-5823
E-mail: ehull@ci.chula-vista.ca.us

6. The Petition to Intervene of Caithness Energy, LLC is denied, without prejudice.

Dated June 21, 2004, at San Francisco, California.

/s/ CHARLOTTE F. TERKEURST by LTC

Charlotte F. TerKeurst
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Providing for Workshop and Addressing Requests to Intervene on all parties of record in this proceeding or their attorneys of record.

Dated June 21, 2004, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.